

March 31, 2025

The Honorable Mia Bonta
California State Assembly
1020 N Street, Suite 390
Sacramento, CA 95814

**RE: AB 315 (Bonta) – Medi-Cal Home and Community-Based Services Alternatives
Waiver – SUPPORT**

Dear Assemblymember Bonta:

MidPen Housing is pleased to write to you in support of your bill AB 315, which requires the Department of Health Care Services (DHCS) to expand capacity in the Medi-Cal Home and Community-Based Alternatives (HCBA) Waiver and to submit to the Legislature a study of rates and rate-setting methodologies for HCBA Waiver services.

MidPen Housing is one of the nation's leading nonprofit developers, owners, and managers of high-quality, affordable housing and onsite resident services. Since MidPen was founded in 1970, we have developed 139 communities and over 10,000 homes for low-income families, seniors and those with supportive housing needs throughout Northern California.

The HCBA Waiver is a Medi-Cal program that serves children, adults, and seniors with disabilities who qualify for an institutional level of care and need home and community-based services to live at home in the community. For decades, the HCBA Waiver has been the only option for community-based services for people with significant disabilities, including medically fragile children who do not qualify for Regional Center services. The HCBA Waiver is also particularly critical for people who need nursing care, and for people who need more than the maximum number of In-Home Supportive Services (IHSS) hours (283 per month). The HCBA Waiver enables people to truly receive 24-hour care in their homes and is a lifeline for seniors with disabilities like Alzheimer's disease and dementia, who often need more care than IHSS offers.

Despite the critical role the HCBA Waiver plays in ensuring people with disabilities can remain in the community, in July of 2023 the Waiver reached capacity. While DHCS added additional slots for each year of the Waiver term (through 2027) as of November of 2024, there are 5,452 people on the waiting list. At this rate, it will take years for a slot to become available for individuals currently on the waiting list, while new applicants will have to wait even longer, foregoing care needed to remain living safely at home or being trapped in institutions away from their families.

From a financial perspective, the HCBA Waiver saves California money: the average cost of HCBA Waiver services is \$53,397 per year while the average cost per year of a skilled nursing facility (SNF) for the HCBA Waiver population is \$134,292. The difference is striking—DHCS estimates \$110,726,000 in general fund savings from serving individuals through the HCBA Waiver rather than in skilled nursing facilities. The need to increase HCBA Waiver slots is also an equity issue; underfunding home and community-based services is particularly impactful for underserved communities of color. Lastly, the right to services which enable seniors and people with disabilities to lead full lives, on an equal basis with those living without disabilities, is undisputed, recognized by the Supreme Court's Olmstead decision, and California law.

AB 315 (Bonta) will help ensure Medi-Cal can serve all eligible individuals who want to enroll in the HCBA Waiver by requiring DHCS to seek federal approval to expand the number of enrollment slots in the HCBA Waiver to accommodate the current waiting list as well as the projected demand. The separate provision that requires DHCS to assess the adequacy and methodology of reimbursement for HCBA Waiver services will provide a solid evidence basis to inform future decisions about reimbursement methods and rates to ensure the availability of community-based providers.

Thank you for your consideration and please feel free to contact Nevada V. Merriman, Vice President of Policy & Advocacy, at 650-477-6195 or nmerriman@midpen-housing.org

Best Regards,



Matthew O. Franklin
President and CEO

CC: Nevada V. Merriman, Vice President of Policy & Advocacy, MidPen Housing